Confidential

DEWAN OF MYSORE

Langford House,
Bangalore,
30th August 1920.

My dear Chief Secretary,

With reference to your confidential D.O.letter dated the 23rd August, conveying His Highness' approval to the drafts of letters to the Hon'ble Mr.Barton and Sir John Wood, I beg to state for the information of His Highness that I had a full discussion with Mr.Barton on all the subjects noted in my letter to him which lasted over two days and I have posted up Mr.Barton with all the necessary information in regard to each of them. I give in brief the main points to be urged in the conference to be held at Simla under each head:-

(1). Civil & Military Station surplus revenue.

This subject is intimately connected with the Subsidy and also with the development scheme in the Civil and Military Station. It has to be urged that the Residency letter intimating that, with the approval of the Secretary of State, the surplus revenue of the last year and two succeeding years would be withheld for certain important schemes the cost of which has not yet been estimated, has been sprung upon the Durbar as a great surprise; for, according to legitimate expectations, they had budgetted for such revenue last year and also for this year. Withholding such a revenue will make a difference in the wrong side of the State's accounts to the extent of 18 to 20 lakhs of rupees, and the Durbar have a legitimate complaint that no notice of such a policy has been given to them beforehand. It is true that in the Residency letter of August 1918, it is said that the revenues of the Assigned Tract should be relieved wholly of the non-recurring grants and also of the recurring grants made from Imperial revenues for medical and sanitation purposes up to March 1918 but that any future expenditure on these two objects must be incurred entirely as a charge on the revenues of the Tract and in proportion to their capacity to meet it. I referred Mr.Barton to the discussion I had with his predecessor Mr. Cobb on the subject on the 11th January 1919 and pointed out that there was no reason whatever for any change in the policy regarding the grant made from Imperial revenues for purposes of education and

sanitation. Certain normal charges are no doubt borne by local Governments and areas under this head but on account of large demands that are made in recent times owing to progressive schemes for the development of elementary education as well as sanitation, water-supply, drainage, town extension, etc., it has been recognized that the revenues of local authorities are totally inadequate to meet such extraordinary items of expenditure. The Civil and Military Station is a local administration besides being an important Military station and the unusually heavy expenditure that may be justified here under sanitation, town planning, drainage, etc., should legitimately have all a non-recurring character to be borne by the Imperial revenues. I urged that the surplus has to be calculated on the normal expenses of the civil administration and all unusual expenditure incurred in the maintenance of a large Cantonment should be found from the Military budget. At all events, when no definite scheme is on record and further, even if any such definite scheme for the improvement of water-supply and drainage is under contemplation, the Durbar's good offices has to be solicited and probably they might be asked to find water or acquire lands for such purposes. It seems unfair that in anticipation of any such large expenditure, the surplus that is expected in future years and the surplus that has accrued already and which has not yet been utilized in the year in which it has accrued, should thus be withheld to the prejudice of the Durbar's finances. In this connection, I brought to Mr.Barton's notice the fact that the water-supply agreement between the Government of India and Durbar is still pending ratification although it was sent up three years ago and that in the interval, the Residency sent up a scheme for the improvement of water-supply in the Civil and Military Station costing over 8 lakhs of rupees and asked the Durbar for an expression of opinion. His Highness may probably remember that when this file was submitted, I put up a draft order pointing out that the Durbar could not commit themselves to any such scheme at present pending ratification of the existing arrangement; and further, the question of water-supply in the City itself is an important one involving many difficulties and in any case, the water-supply of the C & M Station may seriously affect the supply to the City. I had therefore, suggested to Mr. Cobb during my discussion with

him the necessity for a joint investigation of a larger scheme, if possible and I now pointed out to Mr. Barton that even when such a big scheme was contemplated, the Residency letter distinctly stated that the expenditure was to be met from the British Exchequer, thereby clearly indicating that it was not to be debited to the surplus. I emphasised the fact that it would be against His Highness' express wish that the Civil & Military Station should be developed in all directions and elaborate gigantic schemes for its improvement should be undertaken under education such as Colleges; under Sanitation and Water-supply such as town-planning, extension of building sites, independent water-supply scheme, etc.; for, His Highness does not desire that the place should grow into importance besides being a Military Cantonment out of all proportion to the importance of his own capital and His Highness' view is that whatever improvements are necessary in the C & M Station should be considered as Military necessities for the most part and as such, should be debited to the Military budget. These controversies are not new, for, up to 31st March 1918, the Government of India had conceded the principle and the Durbar's representation now is that that principle should continue to be followed in adjusting the payment of any surplus to the Durbar out of the revenues accruing from this tract of territory.

I did not mention anything about the Subsidy to the Resident, but I discussed it casually with reference to our finances and the loan operations and explained to him that any apprehensions that the Government of India may be labouring under, regarding the condition of the finances of the State, should be removed by a clear explanation of the circumstances under which this loan has been proposed. The finances of the State are sound. Owing to abnormal economic conditions and owing to the fluctuations in exchange, disturbance has been caused in the equilibrium of the State's finances and the expenditure side is heavier than the receipt side. A standard of administration has been reached which renders it impossible to cut down the normal expenditure provided for in the Budget unless the whole progressive policy of His Highness' Govt. is to be given up. Such being the case, there is no other

course open for the Durbar but to ask for the excuse of the Subsidy which is a heavy drain on its annual resources and which, if not excused, may cause a recurring deficit of about 30 lakhs in running the administration. In this matter, the Durbar naturally look to the Government of India for sympathetic treatment; but the tendency lately shown in regard to the financial questions sent up by the Durbar to the Government of India and in regard to the recent act of withholding the surplus revenue - all of which have caused considerable embarassment to His Highness - is much to be regretted and His Highness expresses very keen disappointment that the Government of India has deemed fit to take such an unsympathetic attitude.

Under Kannambady Arbitration, I explained to the Resident the progress of the informal conversations that have taken place till now and pointed out the ground for apprehension that the Government of Madras may back out of its undertakings so far given, on some plea or other. I explained that the Durbar have gone more than half way to effect a compromise and at the last stage, the Government of Madras have raised other questions and in fact considerably modified their original understanding which vitiates all friendly attempts and practically leads to re-open the old controversy in all its sharpness. I asked Mr.Barton to secure the sympathy of the Government of India with a view to see if any pressure can be brought on the Government of Madras and requested him to point out to the Government of India that we have done everything we could in the matter and if these negotiations failed, it would not be the fault of the Durbar.

As regards the use of the British Post Offices for remittance of moneys without commission, the recent correspondence was referred to and it was understood that the Resident had not yet forwarded the correspondence to the Government of India but had referred the matter to the Postal Department.

As regards extension of Telegraphs, I pointed out that we have been requesting the Government of India to extend telegraphs, but

owing to war conditions all such proposals have been held over. I read out all the pending correspondence on the question of adjustment and rules for guarantee and also a list of places where new telegraph offices were proposed to be opened and Mr.Barton kindly noted the subject as one fit to be discussed at Simla.

In regard to the Bhatkal Harbour Project, I stated the stage at which the whole correspondence stood at present and pointed out that it was the intention of His Highness to make a further appeal to the Government of India against the refusal of the Government of Bombay to give jurisdiction and that before he did so, it was his desire that the Government of India should be asked to view the matter sympathetically and look at it from his stand-point. Of course, it has to be confessed that no such scheme could be undertaken by the Durbar actively for a period of two or three years more but that should not be any reason for postponing the question of jurisdiction which must be decided finally one way or the other and if this question is not decided in favour of the Durbar, the scheme must eventually have to be dropped. It is all the more necessary therefore, to secure a ruling on the point before any further steps are taken. At the same time, the Government of India should be informed that a very satisfactory and feasible scheme has been formulated by the Harbour Experts in England - a scheme which is likely to prove a more satisfactory one than even the Cochin Harbour scheme. Mr.Barton very kindly agreed that this subject may be discussed with Sir John Wood and that hewould represent the views of the Durbar ~~pxp properly~~.

As regards the development sbheme of the Civil and Military Station, I pressed Mr.Barton to take the Durbar into confidence without further delay in regard to all such schemes and urged for a reply to the letter which was sent by me as Offg.Dewan last year to Mr.Cobb. Mr.Barton gave a vague assurance that His Highness' wishes would be respected as far as possible but that he was not in a position to give me definite information as to what the Military authorities really wanted and what the Civil administration also had in view, especially now that they have withheld the sur-

surplus revenue for purposes of development. This question will have to be pressed home to the Political Secretary when discussing the C & M Surplus and the agreement relating to the water-supply to the Station.

In connection with the shifting of the Rifle Ranges from Hobbal I see in the file the following note recorded in pencil:-

"The Dewan had a discussion with the Hon'ble the Resident on Tuesday the 10th August 1920 at 3 P.M. The General Officer, Commanding Bangalore District was also present. The General Officer said -

(1) that 350 acres would be required for Ranges proper.

(2) that additional land is required for Danger Zone. He has no objection to these lands being utilized for their present purposes but they should be vacated when firing takes place.

(3) Wants some lands for locating the Air Forces and for their practice and also for Dairy.

The Resident said that the above were the minimum requirements and an official communication would be sent".
and

There is no other information about this in the official papers. When I asked Mr.Barton as to whether any application has been sent for the 350 acres mentioned in the above note, he said "No, it has not been sent yet". Till the official communication is received, it does not appear to be necessary to take any further action at present. Mr.Barton, however, told me that after he had explained to Sirdar Kantharaja Urs the requirements of the Military authorities, the Sirdar seemed to have expressed the opinion that there would be no difficulty in the matter. As, however, the whole question of the future development is such a big one, I do not think we should be misled by the statement of minimum requirements because it is likely that when large development schemes are formulated, they might without giving us notice, get the Government of India sanction and immediately ask us for the acquisition of lands or other facilities for carrying out such schemes.

The Indian Institute of Science and its future Control is one of the Subjects that may with advantage be discussed in detail when I shall talk His Highness / Council matters with Mirza M.Ismail, Esq., B.A., in the matter.

Yours sincerely,

30.8.20

Huzur Secretary to His Highness

the Maharaja of Mysore.